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ABSTRACT

An analysis of fiscal-year 1994 appropriations levels show that nonentitlement programs for the poor received modest increases compared with fiscal year 1993, but that the overall funding level for these programs remains well below what it was when Ronald Reagan took office in 1981. This paper examines funding for federal programs that are either explicitly targeted to low-income households or those that devote a high portion of funds to these households. The modest increase in overall funding for these programs in fiscal year 1994 was not sufficient to offset the reductions made in these programs during the 1980s. Much of the decrease in low-income appropriations since 1981 results from drastic reductions in appropriations for housing programs. The decline in funding per poor person in the United States is actually greater than 7 percent, because there are more poor people today than in 1981. This paper also describes how appropriations for low-income programs fared in fiscal year 1994, compares fiscal-year 1994 appropriations levels to pre-Reagan levels, details the effect of the Supplemental Appropriations Bill on low-income programs, and describes changes in funding for low-income housing programs. Appendices contain statistics on the following: changes in funding for low-income discretionary programs (education, nutrition, health, employment, housing and general assistance) for fiscal 1993-94, and changes in low-income discretionary program and capped entitlement funding for fiscal years 1981 through 1994. (LMI)

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FUNDING FOR LOW-INCOME PROGRAMS IN FY 1994

An analysis of fiscal year 1994 appropriations levels shows that non-entitlement programs for the poor received modest increases compared with fiscal year 1993 but that the overall funding level for these programs remains well below what it was when Ronald Reagan took office in 1981. Total fiscal year 1994 appropriations for low-income non-entitlement programs are $2.2 billion — or 3.7 percent — above the Congressional Budget Office estimate of the amount that was needed to maintain fiscal year 1993 levels, after adjusting for inflation.[1] (See Appendix 1.)

The programs examined in this analysis are those that either are explicitly targeted to low-income households or devote a high portion of funds to these households. The programs covered here exclude entitlements and other mandatory spending programs, such as AFDC, Medicaid, the JOBS program, and the Social Services Block Grant.

The modest increase in overall funding for these programs in fiscal year 1994 was not sufficient to offset the reductions made in these programs during the 1980s. In fiscal year 1981, some $62.6 billion was appropriated for these programs, equivalent to $105.3 billion in 1994 dollars. In fiscal year 1994, these programs received $64 billion, nearly 40 percent less in inflation-adjusted terms. (See Appendix 2.)

Much of the decrease in low-income appropriations since 1981 results from drastic reductions in appropriations for housing programs; fiscal year 1994 appropriations for these programs are 62.4 percent lower than the appropriations levels for fiscal year 1981. The deep reductions in appropriations for subsidized housing programs during this period, however, are not matched by declines in outlays for these programs. As a result, the inclusion of housing may distort the

[1] This comparison does not reflect the impact of the emergency disaster supplemental appropriations bill on low-income programs. The supplemental appropriations bill provided emergency funding provisions for the Los Angeles earthquake, humanitarian assistance, and peacekeeping activities. Language was also included to release $300 million in previously appropriated contingency funds under the Low Income Home Energy Assistance Program. Part of the cost of this package was offset through rescissions in a number of programs, including low-income housing programs and the commodity supplemental food program.

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funding trends for low-income programs as a group. If low-income housing appropriations are omitted from the comparison, overall fiscal year 1994 appropriations for other low-income non-entitlement programs were seven percent lower than the fiscal year 1981 level, after adjustment for inflation. The seven percent figure somewhat understates the effect of these reductions, however, because the number of poor people is higher today than in 1981. Hence, the decline in funding *per poor person* is greater than seven percent.

How Appropriations for Low-Income Programs Fared in Fiscal Year 1994

A number of discretionary programs targeted on low-income households received sizable increases in fiscal year 1994. Significant increases occurred in several early intervention programs for children and youth.

- After adjusting for inflation, Head Start received an increase of $475 million, or 16.7 percent.

- The Special Supplemental Food Program for Women, Infant and Children (WIC) received an after-inflation adjustment of $273 million, or 9.3 percent.

- Funding for the Summer Youth Employment program rose $200 million, or 29 percent, on an inflation-adjusted basis.

- Funding for child immunizations rose $178 million after adjusting for inflation, or 51 percent.[2]

Overall, more than 40 low-income, non-entitlement programs received a funding increase. Other programs receiving sizable increases included the Community Development Block Grant, Severely Distressed Public Housing, and the HOME Housing Block Grant.

Fifteen low-income programs received funding below the amount necessary to maintain fiscal year 1993 levels, after adjusting for inflation. In addition to certain housing programs, these included:

- the Emergency Food Assistance Program, which was reduced $93 million — nearly 44 percent — after adjusting for inflation, and

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[2] Additional funding for immunizations was provided through the inclusion in last year's budget reconciliation law of a provision creating a small, capped entitlement program to boost immunization coverage.

Supplemental Appropriations Bill Affects Low Income Programs

Shortly after the President's budget was released, the Congress enacted an $11 billion supplemental appropriations bill, primarily to provide emergency assistance following the Los Angeles earthquake. The emergency funding provisions for Los Angeles included $225 million for subsidized housing and $500 million for the community development block grant program.

The supplemental appropriations bill also released an additional $300 million for the Low Income Home Energy Assistance program. While this funding had been appropriated for FY 1994, its release was contingent upon a request by the President to use the money to address emergency conditions caused by a cold winter.

Congress offset $3.25 billion of the costs of the supplemental appropriations bill with rescissions — the cancellation of previously appropriated funds — in a range of program areas. Rescissions targeted at low-income programs included: the cancellation of $100 million in funds appropriated for the subsidized housing program, $76 million appropriated for Section 8 contract renewal funds, $66 million appropriated for HOPE, $35 million appropriated for rural housing loans, $25 million appropriated for rural housing vouchers, and $10 million provided for the commodity supplemental food program.

- Adult and Youth Training Grants, which were sliced $142 million — or 7.9 percent — in inflation-adjusted terms.

Comparison of Fiscal Year 1994 Appropriations Levels to Pre-Reagan Levels

Despite the fiscal year 1994 increases in appropriations for low-income non-entitlement programs, total appropriations for these programs remain 39.2 percent below fiscal year 1981 levels, after adjusting for inflation. As noted, much of this decline results from reduction in appropriations for low-income housing programs. When housing programs are removed from the comparison, the overall reduction since 1981 in appropriations for low-income non-entitlement programs is about seven percent.

Since 1981, the number of poor people needing assistance has risen. Census data for 1992, the most recent available, show that 35.7 million Americans lived in poverty that year, four million more than in 1981. While the number of poor people may have edged down somewhat since 1992, it is virtually certain to be well above the 1981 level. As a result, if the percentage reduction since 1981 in low-income non-entitlement funding were measured on a per poor person basis, it would be somewhat greater than seven percent.

Major Expansions in Low-Income Entitlement Programs Enacted in 1993

Last year's budget reconciliation law included expansions in several tax and entitlement programs that assist low-income households. The most significant changes occurred in the Earned Income Tax Credit, which was substantially enlarged. The EITC payments that low-income working families receive will grow substantially over the next several years.

The reconciliation bill also expanded the food stamp program. The principal food stamp benefit expansion increased benefits for poor families with children that do not live in public or subsidized housing and pay more than half of their income for housing. In addition, the reconciliation bill established a new Medicaid state option under which states may provide coverage for treating low-income people with tuberculosis. The bill also established a program, structured as a "capped entitlement," to help troubled families stay together so children are not placed in foster care, along with another "capped entitlement" to raise child immunization rates. Finally, it included new tax breaks and funding for a limited number of poor areas designated as "empowerment zones."

The 1993 reconciliation law also contained several provisions reducing expenditures for low-income entitlement programs. These included various Medicaid savings provisions, as well as provisions scaling back the federal contributions that help defray state administrative costs in operating the AFDC and food stamp programs. The decreases the reconciliation bill contained in several low-income entitlement programs were greatly outweighed, however, by the increases in the low-income entitlement component of the budget.

Low-Income Discretionary Program Reductions Since 1981

Not all low-income programs lost ground between 1981 and 1994. Most of the reductions made in low-income non-entitlement programs (other than housing programs) came in four areas:

- *Employment and Training:* After adjusting for inflation, appropriations were $7.8 billion lower in fiscal year 1994 than in fiscal year 1981, a reduction of 58.8 percent. (Even if the funds provided for the JOBS program — a capped entitlement — are factored in, the reduction is still 52.7 percent.)

- *Community Development Block Grant:* Funding for this program was sliced $1.8 billion, or 29.2 percent, in inflation-adjusted terms.

- *Energy Assistance:* Appropriations for the Low Income Home Energy Assistance Program were $1.7 billion lower in fiscal year 1994 than in fiscal year 1981, after adjustment for inflation.[3] This represents a 53.8 percent reduction. In addition, the low-income weatherization program was reduced 29.7 percent, after adjusting for inflation.

- *Legal and Community Services:* Funding for Legal Services was reduced $140 million, or 25.9 percent, after adjusting for inflation. Appropriations for the Community Services Block Grant were decreased $419 million, or 47.4 percent, after inflation is taken into account.

Appropriations for several other low-income program areas — education, health, and nutrition — now are above fiscal year 1981 levels. These gains reflect sizable increases in programs such as Head Start and WIC.

Increases Since Fiscal Year 1981 in Capped Entitlement Programs

Several programs designed to provide services to low- and moderate-income individuals and families are "capped entitlements."

Capped entitlements differ from open-ended entitlements in that they operate under strict funding limitations. Specific ceilings are placed on the annual federal expenditure level for each capped entitlement, and the number of individuals who can be served is limited to the number who can be aided within the available funding. Capped entitlements that target services to low-income households include the Social Service Block Grant, the At-Risk Child Care Program, and the JOBS program. (See Appendix 2.)

Several of these programs were created in recent years. Nevertheless, overall appropriations for low-income capped entitlements in fiscal year 1994 were 5.6 percent below the overall fiscal year 1981 level for such programs, after adjusting for inflation.[4]

The reason for the decline is that funding for the Social Services Block Grant is 24.5 percent below the fiscal year 1981 level, after adjusting for inflation. Moreover, had it not been for the provision of an additional $1 billion for this program in fiscal

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[3] This comparison does not reflect the $300 million in previously appropriated LIHEAP contingency funds released in the emergency disaster relief bill. If the $300 million is counted, the reduction since FY 1991 is 44.2 percent.

[4] The FY 1981 levels used here represent the levels in place when Ronald Reagan took office and do not reflect rescissions made in Reagan's first year.

Changes in Funding for Low-Income Housing Programs

Appropriations for low-income housing programs have been reduced more than 60 percent since fiscal year 1981. Appropriations for subsidized housing programs in the Department of Housing and Urban Development were cut most sharply — 82 percent. Loan levels in Farmers Home Administration housing programs were reduced 50 percent.

The deep reductions in appropriations for subsidized housing programs during this period were not matched, however, by decreases in "outlays," or actual expenditures, for these programs. During the 1980s, housing outlays increased significantly. The disparity between large reductions in appropriations for subsidized housing and substantial increases in actual expenditures occurred largely because the federal government provides housing assistance each year to additional low-income households, while also continuing to aid households already receiving subsidies. In the 1970s, each year the federal government made appropriations that would subsidize a housing unit for fifteen to thirty years. In the 1980s, appropriations typically provided five years worth of subsidies. Even with the reduction in the term of the subsidies, the ongoing multi-year subsidies produces a pattern of declining appropriations and increasing outlays.

An increase in the number of households served by subsidized housing programs is needed each year because there has been a sharp decline over the past two decades in the stock of privately owned, unsubsidized low-rent housing. This decline in low-rent housing in the private market has outstripped the expansion in rental subsidies provided through federal housing assistance programs. In addition, the number of families that are poor and have difficulty in finding affordable housing has risen. The overall result has been a worsening of the affordable housing shortage.

Census data show that in 1970, the number of low-rent units nationwide was approximately 300,000 greater than the number of low-income renters. By 1991, there were 4.5 million *fewer* low-rent units (units renting for $250 or less) than low-income renters (households with incomes up to $10,000, measured in constant 1991 dollars).

Because of these trends, the number of households assisted through government housing programs needs to rise substantially each year just to keep the affordable housing shortage from growing still larger. Consequently, neither the change in appropriations nor the change in outlays is an accurate barometer of trends in federal low-income housing investment. Rather, a better measure is the number of additional low-income households assisted through the federal housing programs each year.

By this measure, there has been a sharp retrenchment in federal support over the last decade and a half. From fiscal year 1977 through fiscal year 1980, HUD made commitments to provide rental assistance to an average of 290,000 additional low-income households each year (in addition to the number of families already receiving such aid). By contrast, from fiscal year 1981 through fiscal year 1994, the number of additional households aided dropped to an average of 74,000 per year — nearly a 75 percent reduction. This reduction appears to have been one of the factors contributing to the growing shortage of affordable housing.

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years 1994 and 1995, earmarked for areas designated as empowerment zones, the decline in funding for the Social Services Block Grant (and, hence, for low-income capped entitlements as a group) would have been greater.

If both low-income discretionary programs (other than housing programs) and low-income capped entitlements are considered, the decline between fiscal years 1981 and 1994 in total appropriations is $3.4 billion, or 6.8 percent.

APPENDIX 1:
Changes in Funding for Low-Income Discretionary Programs
FY 1993 - FY 1994
(Budget Authority, in millions)

	Budget Authority (Appropriation) FY 93	Baseline Budget Authority FY 94 1/	Enacted Budget Authority FY 94	Difference from Baseline	Percent Change from Baseline
EDUCATION					
Compensatory Education (Chapter 1 and Migrant)	6,709	6,890	6,924	34	0.5%
Education for the Homeless - Children and Adults 2/	34	35	35	-0	-0.7%
Financial Aid for Needy Students	7,546	7,750	8,020	270	3.5%
Indian Education (DOE)	81	83	84	1	0.9%
Indian Education (BIA)	390	401	446	45	11.2%
Head Start	2,776	2,851	3,326	475	16.7%
Programs for the Disadvantaged (TRIO Plus)	388	399	419	20	5.0%
TOTAL LOW-INCOME EDUCATION	17,924	18,408	19,254	845	4.6%
NUTRITION					
Commodity Supplemental Food Program	95	97	105	8	8.2%
Food Donations for Low Income Groups	257	263	259	-5	-1.8%
Emergency Food Assistance Program 3/	207	213	120	-93	-43.6%
WIC Supplemental Food Program	2,860	2,937	3,210	273	9.3%
TOTAL LOW-INCOME NUTRITION	3,418	3,510	3,694	183	5.2%
HEALTH					
Community Health Centers	559	574	604	30	5.2%
Family Planning	173	178	181	3	1.6%
Health Care for the Homeless	58	60	63	3	5.8%
Homeless Mental Health 9/	51	52	51	-1	-2.6%
Immunizations	341	350	528	178	50.8%
Indian Health	1,525	1,566	1,646	80	5.1%
Indian Health Facilities	334	343	297	-46	-13.3%
Healthy Start/Infant Mortality Initiative	79	81	98	16	19.7%
Maternal & Child Health Block Grants	665	682	687	5	0.7%
Migrant Health	57	59	59	0	0.3%
National Health Service Corps	119	122	127	5	4.0%
TOTAL LOW-INCOME HEALTH	3,960	4,067	4,340	272	6.7%
EMPLOYMENT					
Adult Training Grants	1,045	1,073	988	-85	-7.9%
Youth Training Grants	697	715	659	-57	-7.9%
Job Corps	966	992	1,040	48	4.9%
Job Training for the Homeless	13	13	13	-0	-2.6%
Migrant/Seasonal Workers	78	80	86	5	6.4%
Native American	62	64	64	1	1.1%
Older Americans Employment	390	401	411	10	2.5%
Summer Youth Employment	671	689	888	200	29.0%
Youth Fair Chance	50	51	25	-26	-51.3%
TOTAL LOW-INCOME EMPLOYMENT	3,971	4,078	4,173	95	2.3%

APPENDIX 1 (continued)

	Budget Authority (Appropriation) FY 93	Baseline Budget Authority FY 94 1/	Enacted Budget Authority FY 94	Difference from Baseline	Percent Change from Baseline
OTHER					
Child Care Block Grant	893	917	893	-24	-2.6%
Child Welfare Services	295	303	295	-8	-2.6%
Community Development Grants	4,000	4,108	4,400	292	7.1%
Community Services Block Grant	441	453	464	11	2.5%
Homeless Veterans Programs	44	46	60	14	31.4%
Legal Services for the Poor	357	367	400	33	9.1%
Low Income Weatherization	185	190	207	16	8.6%
Refugee Assistance	381	392	400	8	2.1%
Runaway and Homeless Youth	35	36	63	27	74.4%
VISTA	41	42	42	0	0.4%
Low Income Energy Assistance 10/	1,346	1,382	1,437	55	4.0%
TOTAL OTHER LOW-INCOME DISCRETIONARY	8,018	8,235	8,660	425	5.2%
HOUSING					
Emergency Food and Shelter	129	132	130	-2	-1.9%
Emergency Shelter Grants	50	51	115	64	124.0%
Shelter Plus Care	267	274	124	-150	-54.8%
HOPE Housing Grants 4 & 8/	221	227	81	-146	-64.3%
Severely Distressed Public Housing 4 & 8/	300	308	778	470	152.6%
HOME Housing Grants	1,000	1,027	1,275	248	24.1%
Housing Counseling	6	6	12	6	94.1%
Housing Congregate Services	21	22	25	3	15.9%
Public Housing Operating Subsidies	2,282	2,344	2,621	277	11.8%
Public Housing Drug Elimination Grants	175	180	265	85	47.4%
Rural Housing Loans 5/	575	590	719	129	21.8%
Rural Rental Assistance	404	415	447	32	7.7%
Additional Rural Housing Programs 6/	59	61	72	11	18.3%
Section 8 Mo. Rehabilition SRO	105	108	150	42	39.1%
Subsidized Housing	8,937	9,178	9,313	135	1.5%
Subsidized Housing Renewals 7/	6,076	5,558	4,558	-1,000	-18.0%
Transitional & Supportive Housing	150	154	334	180	116.8%
Youthbuild 8/	40	41	28	-13	-31.8%
TOTAL LOW-INCOME HOUSING	20,797	20,677	21,047	370	1.8%
TOTAL LOW-INCOME DISCRETIONARY	58,090	58,976	61,167	2,191	3.7%

Notes to Appendix 1

1. The baseline estimates how much funding would be necessary to maintain FY 1993 levels with adjustments for inflation from FY 1993 to FY 1994. These baseline estimates were prepared by the Congressional Budget Office in January 1993 with an estimated inflation rate of 2.7 percent.

2. These programs include adult literacy grants and grants for educating homeless children.

3. In addition to the regular FY 1993 appropriations of $165 million for the Emergency Food Assistance Program, an additional $42.3 million was transferred to the program from the Farm Credit Bureau Account.

4. The Veterans Affairs and Housing and Urban Development and Independent Agencies Appropriation Bill, 1994 conference report rescinded $250,000,000 of FY 1992 and FY 1993 HOPE funds.

5. This figure includes the direct loan subsidy and the guaranteed loan subsidy, but not administrative expenses.

6. These programs include domestic farm labor housing, mutual and self-help housing, very low income housing repair grants, and rural housing preservation grants.

7. The Department of Housing and Urban Development's estimate of the cost of renewing expiring housing contracts covering Section 8 certificates and vouchers is shown here as the FY 1994 baseline level for this program.

8. An additional $20 million is set aside in the Severely Distressed Public Housing program for "Youthbuild" type activities in public housing and surrounding areas. The $28,000,000 listed on the chart is a set-aside within the "Homeownership and Opportunities for People Everywhere" grant (HOPE). This amount is not included in the HOPE total on the chart.

9. These includes Grants to States for Homelessness (PATH) and Homeless Mental Health.

10. In the 1993 appropriations bill, the Low Income Home Energy Assistance Program received $1,437,408,000 for FY 1994. In the FY 1994 appropriation, an advance appropriation of $1,475,000,000 for FY 1995 was included for the period October 1, 1994 - June 30, 1995.

APPENDIX 2:
Changes in Low-Income Discretionary Program and Capped Entitlement Funding
FY 1981 - 1994
(Budget Authority, in millions)

	Actual FY 1981 BA 1/	FY 1981 Adjusted for Inflation 2/	Enacted FY 1994 BA	Difference FY 1981-94	Change (after inflation) 2/
EDUCATION					
Compensatory Education (Chapter 1 and Migrant)	3,545	5,962	6,924	962	16.1%
Education for the Homeless	0	0	35	35	NA
Financial Aid for Needy Students	3,802	6,394	8,020	1,626	25.4%
Head Start	814	1,369	3,326	1,957	143.0%
Higher Education (TRIOs)	160	269	419	150	55.7%
Indian Education (BIA + Education)	345	580	530	-50	-8.7%
TOTAL LOW-INCOME EDUCATION	8,666	14,574	19,254	4,680	32.1%
NUTRITION					
Commodity Supplemental Food Program	28	47	105	58	123.0%
Food Donations for Low Income Groups	129	217	259	42	19.4%
Emergency Food Assistance	0	0	120	120	NA
WIC Supplemental Food Program	900	1,514	3,210	1,696	112.1%
TOTAL LOW-INCOME NUTRITION	1,057	1,778	3,694	1,916	107.8%
HEALTH					
Community Health Centers	338	568	604	36	6.3%
Family Planning	182	306	181	-125	-40.9%
Health Care for the Homeless	0	0	63	63	NA
Homeless Mental Health	0	0	51	51	NA
Immunizations	44	74	528	454	613.6%
Indian Health	607	1,021	1,646	625	61.2%
Indian Health Facilities	83	140	297	157	112.8%
Infant Mortality Initiative	0	0	98	98	NA
Maternal & Child Health	448	753	687	-66	-8.8%
Migrant Health	42	71	59	-12	-16.5%
National Health Service Corps	95	160	127	-33	-20.5%
TOTAL LOW-INCOME HEALTH	1,839	3,093	4,341	1,248	40.4%
EMPLOYMENT					
Job Training for the Homeless	0	0	13	13	NA
Older Americans Employment	277	466	411	-55	-11.8%
Training and Employment Services	7,574	12,737	5,014	-7,724	-60.6%
TOTAL LOW-INCOME EMPLOYMENT	7,851	13,203	5,438	-7,766	-58.8%

APPENDIX 2 (continued)

	Actual FY 1981 BA 1/	FY 1981 Adjusted for Inflation 2/	Enacted FY 1994 BA	Difference FY 1981-94	Change (after inflation) 2/
OTHER					
Child Care Block Grant	0	0	893	893	NA
Child Welfare Services	173	291	295	4	1.4%
Community Development Block Grant	3,695	6,214	4,400	-1,814	-29.2%
Community Services Block Grant	525	883	464	-419	-47.4%
Homeless Veterans Program	0	0	60	60	NA
Legal Services	321	540	400	-140	-25.9%
Low Income Energy Assistance 7/	1,850	3,111	1,437	-1,674	-53.8%
Low Income Weatherization	175	294	207	-87	-29.7%
Runaway and Homeless Youth	11	18	63	44	240.0%
VISTA	33	55	42	-13	-24.3%
TOTAL OTHER LOW-INCOME DISCRETIONARY	6,783	11,407	8,261	-3,146	-27.6%
HOUSING					
Emergency Food and Shelter	0	0	130	130	NA
Emergency Shelter Grants	0	0	50	50	NA
HOPE Housing Grants	0	0	81	81	NA
HOME Housing Grants	0	0	1,275	1,275	NA
Housing for Elderly and Handicapped 4/	831	1,397	NA	-1,397	-100.0%
Public Housing Operating Subsidies	1,071	1,801	2,621	820	45.5%
Public Housing Drug Elimination Grants	0	0	265	265	NA
Rural Housing Insurance Fund 5/	3,896	6,552	3,275	-3,277	-50.0%
Additional Rural Housing Programs 6/	453	762	72	-690	-90.5%
Section 8 Moderate Rehab	0	0	150	150	NA
Shelter Plus Care	0	0	124	124	NA
Subsidized Housing	30,170	50,737	9,313	-41,424	-81.6%
Subsidized Housing Renewals	0	0	4,558	4,558	NA
Transitional & Supportive Housing	0	0	334	334	NA
Severely Distressed Public Housing	0	0	778	778	NA
Youthbuild	0	0	28	28	NA
TOTAL LOW-INCOME HOUSING	36,421	61,249	23,054	-38,195	-62.4%
TOTAL LOW-INCOME DISCRETIONARY	62,617	105,303	64,042	-41,261	-39.2%
Total if Housing Programs are Excluded	26,196	44,054	40,987	-3,066	-7.0%
CAPPED ENTITLEMENTS					
At-Risk Child Care	0	0	300	300	NA
Social Services Block Grant	2,991	5,030	3,800	-1,230	-24.5%
JOBS	365	614	1,100	486	79.2%
Family Preservation and Support	0	0	60	60	NA
Independent Living/Foster Care	0	0	70	70	NA
TOTAL CAPPED ENTITLEMENTS	3,356	5,644	5,330	-314	-5.6%
TOTAL DISCRETIONARY AND CAPPED ENTITLEMENTS	65,973	110,947	69,372	-41,575	-37.5%
TOTAL DISCRETIONARY (EXCLUDING HOUSING) AND CAPPED ENTITLEMENTS	29,552	49,698	46,317	-3,380	-6.8%

Notes to Appendix 2

1. This column shows FY 1981 budget authority levels at the start of the Reagan Administration, prior to recissions implemented by the Administration in the spring of 1981. The numbers in this column are not adjusted for inflation.

2. Inflation from FY 1981 to FY 1994 is calculated using the Consumer Price Index. The total inflation adjustment for FY 1981 to FY 1994 is 68.17 percent.

3. Beginning in FY 1991, the housing for the elderly and the handicapped program was converted from a loan program to a direct grant program. All funding for the program is now part of the subsidized housing account.

4. Budget treatment was changed by credit reforms enacted in 1990. There are no comparable figures for budget authority for years prior to 1990. Therefore, levels listed here are loan limits rather than budget authority. These levels are comparable to FY 1981 figures.

5. These programs include domestic farm labor housing, mutual, and self-help housing, very low income housing repair grants and rural housing preservation grants.

6. In the 1993 appropriations bill, the Low Income Home Energy Assistance Program received $1,437,408,000 for FY 1994. In the FY 1994 LHHS appropriation, an advance appropriation of $1,475,000,000 was included for the period October 1, 1994 - June 30, 1995.

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